MINUTES
TRANSPORTATION ASSET MANAGEMENT COUNCIL
July 12, 2006
Aeronautics Building
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present

Carmine Palombo, Chairman	Howard Heidemann, Member
Robert Slattery, Vice-Chairman	Spencer Nebel, Member
Steve Warren, Member	David Bee, Member
Jerry Richards, Member	Bill McEntee, Member
Susan Mortel, Member	Frank Kelley, Commission Advisor
Rob Surber, Member	

Staff Present

Rick Lilly- Bureau of Transportation Planning
Stacey Schafer- Bureau of Transportation Planning
Ron Vibbert- Bureau of Transportation Planning
Terry McNinch-LTAP/MAT

Absent

Kirk Steudle, Member

Call to order

The meeting was called to order at 1:00 p.m.

Approval of June 7, 2006 Minutes - Rick Lilly

Mr. Richards moved to approve the minutes as submitted, supported by Mr. Bee. Motion carried.

Correspondence and Announcements - Rick Lilly

Mr. Lilly announced that Brenda O'Brien will be taking over for Pat Schafer while she is out on sick leave.

Mr. Warren distributed a brochure that summarizes Kent County's Long-Range Strategic Investment Plan.

Mr. Palombo announced that on July 18 and 19 the Federal Highway Administration (FHWA) is conducting a "Peer Exchange: Integrating Asset Management into the Metropolitan Planning Process," in Traverse City. Mr. Palombo, Ron Vibbert, and Kirk Steudle will be giving presentations at this conference. As soon as the agenda is released, Mr. Palombo will inform the Council members.

Mr. Bee informed the Council that the MAR/MTPA conference is taking place on July 19-21 in Grand Rapids. If anyone is interested in more information, they should give Mr. Bee a call.

Mr. McEntee will be participating in a NCHRP program to establish an asset management program for the interstate system. This is will run from August 31-September 2, 2006.

The August Data Management Committee will need to be rescheduled for August 23, 2006, at 1:00 p.m. The meeting will be held at the Michigan Township Association.

Mr. Nebel thanked Mr. Slattery for coming up to Sault Ste. Marie for their Regional Municipal League meeting. Mr. Slattery gave his introductory presentation on asset management, which went over very well. Mr. Slattery announced that he was asked to give that presentation again at the Michigan Municipal League Convention at the end of September in Marquette. Also, he will be giving this presentation at the Mayor's Summer Workshop on August 10, 2006 in Manistee.

Mr. Surber gave a presentation in Savannah, Georgia, at the request of FHWA, to the Southern Finance Conference. Participants wanted their finance people to see what Michigan was doing in terms of asset management data collection that would drive some of their financial decisions. This presentation was very well received.

 Agency Reports

There were no agency reports

Quarterly Report – Rick Lilly

The Quarterly Report was sent out to the Council members. All questions were addressed by Mr. Lilly.

PASER Training Report – Rick Lilly

Mr. Lilly stated that today is the last day for training. An analysis was passed out to each of the Council members, done by Mr. McNinch. There will be a laminated

card placed in each rating vehicle. The card consist of questions and answers that may come up. Mr. McNinch summarized some of the main points of the training; these were passed out to the Council. There were 240 individuals that attended the training overall. Mr. Lilly went to the East Lansing, training and he thought that the dedication of the participants was phenomenal. There was a lot of good feedback in regards to having to come back to the training for another year. The trainers did a nice job in explaining the different ratings and other details of data collection. Mr. Lilly believes if the participants do what they were taught, there will be a huge difference in quality control. Mr. Lilly stated that having someone from the Council at the trainings provided an opportunity for the participants to ask questions.

Mr. Lilly stated that there is an issue about payment for the training. The guidelines state that unless it is an emergency, each individual in the rating car must attend training this year. This information was modified by the MDOT trainer at the training session giving the impression that if someone had attended training in any year, not just this year, they would be paid. If someone does the rating and is not trained they will not be reimbursed. It was thought that there should be additional training scheduled for those who were misinformed or missed the training dates. Mr. Lilly asked for the Council's guidance on this.
Mr. Slattery stated that the Council needs to find someone who has been trained and can serve as a master trainer in this specific area. Mr. Richards continues to support the notion that people who are doing the ratings need to be trained.
Mr. Nebel thought that it would be useful to have something to watch (i.e video) as a substitute should someone miss a training. Mr. McEntee asked if MDOT staff could do some of the extra training. Mr. Lilly stated that one of the things the Council could do is to have staff do a check to indicate which agencies did not show, plus MDOT participants that did show. This way the Council could invite those who did not attend to an additional training session. Mr. Palombo asked Mr. McNinch if he would have the time to put one more training session on.
Mr. McNinch will consider this and get back with the Council.

Mr. Slattery moved that the Council direct staff to coordinate an additional day of training for 2006 raters, supported by Mr. Nebel. Motion Carried.

Mr. Palombo suggested that Mr. McNinch give the Council some recommendations for future training.

Presentation of USRAP – John Daly

John Daly gave a presentation on United States Road Assessment Program (USRAP). This presentation was also given to the Transportation Commission. The final report for USRAP is out, which includes a pilot that was done in Michigan. The goal was to get the information out to different agencies about this.

Approval of Budget Request from BCATS – Administrative & Education Committee

Mr. Palombo informed the Council that BCATS is asking for an increase of $10,000 for this fiscal year for additional work they did for a pilot project which was completed last year. This was the best pilot that the Council received. The committee recommends that the Council support this increase. Ms. Mortel is concerned that this shows a lack of control over our master agreements. She stated that, as a Council, the Council should have discussed this issue as a group before giving them the 'go ahead' on continuing this pilot and reimbursing them when the pilot was complete.

Mr. Nebel moved that the Council approve the request for $10,000 BCATA, supported by Mr. Bee. Motion Carried.

Approval of FY 2008 Budget – Administrative & Education Committee

Mr. Palombo informed the Council that the committee is asking the Council to approve $1,640,215 budget total. The committee is asking for the approval of the 2008 proposed budget, which will not start until October 1, 2007.

Mr. Nebel expressed the need to go back through the budget and look at the categories and redefine certain areas. Ms. Mortel stated that in 2008, MDOT is going to need some help with staffing issues, and the consultant line item might need to be readdressed.

Mr. Warren asked the Council if we are on a time frame for passing the budget. Mr. Lilly stated that MDOT finance staff need it by August 1, 2006, and it needs to be taken to the Commission at the end of this month. Mr. Richards suggested that the Council defer action on the budget until after we go through the work plan to see what the Council is proposing to do in years to come. It is hard to make a decision on the budget now, because it impacts what the Council will do with the work plan. Mr. Nebel stated that the work program decision is not going to provide financial solutions. Regarding the issue of additional funds, we have never spent all the monies that have been approved in the past. Mr. McEntee stated that unless things really change, the Council is not going to receive any additional monies for 2008. The Council needs to look at cutting our work program instead of expanding it. Mr. Lilly suggested that staff could take the bottom line figure, if approved, then as the Council moves forward on the work program, staff could work with the numbers within the different categories in the work plan to see if we can match up, closer, what the Council can and cannot do. Mr. Lilly recommends that the Council approve the total budget and not the line item details.

Mr. Nebel moved that the Council approve the $1,640,215 as the Council's 2008 budget, supported by Mr. Bee. Motion Carried.

Approval of 2006-2009 Work Program – Administrative & Education Committee

Mr. Lilly informed the Council of a couple things that were different from the previous one. At the beginning of the program the goal statement was inserted. Everything that is in italics is new. Some of the items have priorities listed with them and some do not. This is because some groups did not list priorities during the workshop. There was one change suggested on page 4, Point "F" be moved to point "D."

Mr. Nebel moved that the Work Program be approved and the committees work on the priorities for those that have not been done, supported by Mr. Bee. Motion Carried.

Approval of 2006-2007 Guidelines for Pilot Projects – Data Management Committee

Mr. Slattery moved for the approval of the 2006-2007 Guidelines and to direct staff to develop a template of rules for pilot projects, supported by Mr. Warren. Motion Carried.

Mr. Bee feels that No. 5 should be readdressed and include further information regarding staffing and realistic scheduling. Mr. Richards thinks that No. 5 should say something about all the agencies involved. It should have the capability for all agencies, not limiting it to just the requesting agencies. Ms. Mortel added this guideline to make sure that agencies could deliver a pilot. Ms. Mortel stated that the Council should not give money to an agency when we have no reasonable expectation of getting a product on time or within budget. Mr. Richards asked how this would be judged? Mr. Palombo stated that the Council had a number of agencies submit pilot projects to us that were paid, but never received the product. There is a concern that agencies that did this in the past, would submit another request and then again not produce a product.

Mr. Lilly stated that a template needs to be developed making different items a requirement for submitting pilots. Mr. Lilly addressed expanding No. 5 from an administrative standpoint. Mr. Lilly stated to expand guideline No. 5 to more than just the requesting agency, it becomes more difficult for staff to hold someone accountable. By saying the requesting agency, they are then held accountable for anyone that they partner with to make sure that things get done on time. This is done with all of our contracts. The Council needs someone to go back to make sure that things are getting done. If this language is expanded, Mr. Lilly is not sure who he would go to for answers. Unless some guidelines are put in specifically, there in no recourse to say that it was one agency's responsibility to

get it done. Mr. Richards indicated that if the Council understands that the requesting agency means the agency and all of the players that are under their control for the particular project, then the Council can go with this. Mr. Lilly indicated that this can be put into any subcontract.

Mr. Heidemann stated that the Council should never pay an agency before we have received the product. Mr. Heidemann suggested that the Council set a certain day that the product has to be received, and then they can be paid for the work that was done. Mr. Lilly stated that the issue goes back to the way the contracts are setup with the Regions and MPOs. They are reimbursed for the work that they do and not for the final cost that they submit. The Council could try to make it so the final payment is not reimbursed until the Council has accepted the work.

Mr. Bee thought that the Council should require approval of the governing body of the submitting agency. This way the board would be asking the same questions that the Council would be asking. Making sure that the board is approving the same pilot the Council is.

The Council is going to want a separate accounting and billing process for each agency. Mr. Lilly, Mr. Palombo, and Ms. Mortel are going to work on a contract for a separate billing procedure. Mr. Lilly is going to develop a list of rules for these pilots.

Mr. Surber noted that one of the problems in doing a pilot project is discovering issues and things that we do not know yet. One of the challenges is to obtain an accurate estimate, and should there be some sort of adjustment the Council can deal with it then. It needs to be acknowledged that sometimes what is trying to be discovered is unknown. Some agencies use it as a plus or minus, however, this might not be the case in this situation. Mr. McEntee said that he has not envisioned these pilots as research, rather demonstration pilots on some of the things agencies can do. Mr. Palombo stated that the Council should let staff develop this template and see whether or not it addresses all the issues that need to be addressed.

Approval of Purchase of Local Road PASER Data Collection – Data Management Committee

Mr. Warren moved for the approval of the Purchase of Local Road PASER Data Collection, supported by Mr. McEntee. Mr. Warren withdrew the motion, supported by Mr. McEntee.

Mr. Warren stated that this process will cover 2005-2006. We are half way through 2006 and, the guidelines have yet to be rewritten. Do we go back to 2005 or do we anticipate data collection for 2007? Mr. Lilly answered by stating this was sent out to Mr. McEntee and Mr. Slattery for review. It was thought

2005-2006 be looked at, 2007 might want to be put in as well. Mr. Warren stated that if there is knowledge out there, with guidelines that the Council is interested in purchasing data, there may be a lot of people who will gear up to this next year. Mr. Warren would like to give agencies an opportunity to do so, within the guidelines that will be provided. Going back to 2005, Mr. Warren wants to know the logic behind this, is it to try to capture more data. Mr. McEntee stated that if the idea is that we need three years worth of data and if we start in 2006, which puts us out to 2009 to obtain the data. The hope would be that the Council could obtain enough 2005 data to paint a realistic picture of the local road system.

Mr. Warren asked if there is any consideration in these guidelines that other rating methodologies would be accepted. Mr. Lilly stated that this would not be acceptable with this motion. Mr. Lilly stated local road data for 2005 has already been accepted, so there is already 7,000 miles of local road data that we are working with Mr. Surber to try to get into the right format.

Mr. Richards asked if the Council has estimated the impact to our budget could be on the high end? Mr. Palmobo stated that according to what he understands, for the 2006 budget there is $243,000 to collect information on local roads at $11 a mile. This is going to give us over 20,000 miles of local road data that the Council could buy from agencies if it met our requirements. Mr. Richards thought that the Council might want to put some cap on this.

A long discussion ensued regarding this issue. A number of points were raised including: 1. Were the sufficient funds in the budget; 2. Do we need an application process; 3. There is no plan in place for what we are going to do with the data; 4. We don't know what the quality of the data is; 5. Unlike our current process the distribution of where the data comes from may not represent a statistically reliable sample; and 6. We may need a process to send someone out to fill in the gaps.

Mr. Warren moved to have staff develop an application process and bring it back to the Data Management Committee for the July meeting, supported by Mr. Richards. Motion Carried.

Local Road Sampling

Mr. Lilly passed out information that was written by Dr. Tom Dummond on the Local Sample. This fits in well with the local issue.

Mr. McNinch handed out a Local Road Sampling Simulation summary prepared by Dr. Tom Drummond. The proposal was discussed amongst the Council members. Mr. McNinch answered any questions that the Council had. No action was taken at this time.

Public Comment

There was no public comment.

Adjournment

Meeting was adjourned at 4:00pm